Department of State

TELEGRAM

EXCISE

92

CONFIDENTIAL 965

PAGE 01 TRIPOLI 00543 161419Z

52
ACTION AF-19

INFO OCT-01 ARA-12 EUR-20 EA-15 NEA-13 AID-28 CIAE-00
COM-08 E-15 FRB-02 INR-08 NSAE-00 RSC-01 TRSE-00
XMB-06 OPIC-12 INT-06 TRSY-11 OEP-01 JUS-02 DODE-00
PM-05 H-02 L-04 NSC-10 P-03 PRS-01 SS-20 SSO-00
NSCE-00 USIE-00 RSR-01 /226 W

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O P 161234Z MAR 71
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC IMMEDIATE 7529
INFO USINT ALGIERS PRIORITY
AMEMBASSY BEIRUT
AMEMBASSY BENGHAZI
AMEMBASSY BONN
AMEMBASSY BRUSSELS
USMISSION/EC BRUSSELS
AMEMBASSY CARACAS
AMCONSUL DHAHRAN
AMEMBASSY DJAKARTA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LAGOS
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY MADRID
USMISSION NATO
USMISSION/OECD PARIS
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TEHRAN
AMEMBASSY Z LNXKH
AMEMBASSY TOKYO
AMEMBASSY VIENNA

C O N F I D E N T I A L TRIPOLI 543

Mediterranean Oil Ministers Communique

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY [signature] DATE 6/22/81
PORTIONS DENIED AS INDICATED

Tripoli 543
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CONFIDENTIAL 22

(1)

EXCISE

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CONFIDENTIAL

PAGE 02 TRIPOLI 00543 161419Z

SUBJ: MEDITERRANEAN OIL MINISTERS COMMUNIQUE

REF: TRIPOLI 537

1. BEGIN UNCLASSIFIED. MINISTERS OF MEDITERRANEAN OIL EXPORTING COUNTRIES ISSUED COMMUNIQUE EARLY THIS MORNING (MAR 16), AFTER CONCLUSION OF THEIR CURRENT CONFERENCE. TEXT FOLLOWS.

"THE PETROLEUM MINISTERS OF THE ALGERIAN REPUBLIC, THE IRAQI REPUBLIC, THE SAUDI ARABIAN KINGDOM AND THE LIBYAN ARAB REPUBLIC MET IN TRIPOLI, MONDAY, MARCH 15, 1971.

THEY WERE APPRISED OF THE MEASURES WHICH LIBYAN GOVERNMENT DECIDED TO TAKE IF OIL COMPANIES OPERATING IN LIBYA DO NOT ACCEPT ITS JUST DEMANDS. THEY LIKEWISE AGREED ON MINIMUMS FOR POSTED PRICES OF CRUDE OIL PRODUCED IN THEIR COUNTRIES, PUMPING OF WHICH WOULD BE STOPPED IF COMPANIES DO NOT AGREE TO THEM AND APPLY THEM BY DATE TO BE FIXED BY LIBYAN GOVERNMENT FOR STOPPAGE OF PUMPING.

LIBYAN GOVERNMENT HAD CALLED FOR HOLDING THIS CONFERENCE AFTER FAILURE OF NEGOTIATIONS WHICH IT WAS CONDUCTING ON BEHALF OF FOUR COUNTRIES AND WHICH REVOLVED AROUND RAISING THE POSTED OIL PRICES IN THE MEDITERRANEAN AREA." END TEXT.

2. BEGIN CONFIDENTIAL. THIS TRANSLATION OF TEXT WAS CAREFULLY VERIFIED WITH SAUDI ARABIA'S YAMANI [redacted] B1 [redacted] YAMANI MADE CLEAR THAT MINIMUM PRICE LEVEL AT WHICH EMBARGO WOULD OCCUR DIFFERED AMONG FOUR COUNTRIES - THUS USE OF PLURAL "MINIMUMS" IN COMMUNIQUE. YAMANI IMPLIED THAT SAUDI ARABIA'S MINIMUM ALREADY HAD BEEN REACHED IN COMPANIES' OFFER TO LARG.

3. COMMENT: COMMUNIQUE IS MUCH LESS DEFINITIVE ABOUT APPLICATION OF JOINT OIL EMBARGO BY MEDITERRANEAN EXPORTERS THAT NEWS MEDIA GENERALLY HAVE INTERPRETED IT TO BE. ADDRESSEES MAY WISH TO MAKE THIS POINT IN ANY DISCUSSION OF OUTLOOK FOR MEDITERRANEAN EMBARGO. WE ALSO NOTE THAT SECOND AND THIRD SENTENCES OF COMMUNIQUE DISTINGUISH BETWEEN MEASURES LARG MAY TAKE UNILATERALLY TO ENFORCE ITS RANGE OF DEMANDS, WHICH INCLUDE MUCH MORE THAN PRICE INCREASE, AND PRICE MINIMUMS WHICH EACH COUNTRY IS PREPARED TO ENFORCE THROUGH EMBARGO. SO FAR AS WE ARE AWARE, LARG HAS NOT YET FIXED DEADLINE AUTHORIZED IN COMMUNIQUE.

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Department of State TELEGRAM

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PAGE 03. TRIPOL 00543 161419Z

4. VISITING DELEGATIONS ARE DEPARTING FOR HOME TODAY, EXCEPT, WE UNDERSTAND, FOR YAMANI WHO IS SCHEDULED TO GO TO LONDON.

GP-3.
PALMER

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